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18 March 1969

MEMORANDUM FOR THE RECORD

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SUBJECT: Briefing [REDACTED]
by OER Analysts

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25X1A9a At the request of Chief, Far East Division, DD/P, [REDACTED]

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[REDACTED] briefed [REDACTED]

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Division. The general subject of the briefings, which were held on 12 and 14 March, was scientific and industrial technology in Communist China. All briefings were conducted at the SECRET level and included opening remarks by the OER analysts followed by a period of questions and answers.

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2. [REDACTED] covered the effect of the Cultural Revolution on output of ferrous and nonferrous metals and machine tools, stressing the effects on metals and machine tools related to the manufacture of advanced weapons; China's industrial technology; and output and imports of metallurgical equipment. [REDACTED] exhibited great interest and asked many questions, all of which were oriented toward assessing China's potential to produce advanced weapons.

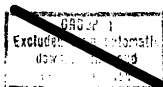
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3. [REDACTED] covered recent developments in China's electronics industry, stressing the rapid advances made in technology and output, and the important contributions made [REDACTED] industry by imports of plant and technology from the Free World. [REDACTED] interest as before centered on the military applications of the electronics produced in China.

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[REDACTED] handled the briefing on China's petroleum industry. [REDACTED] was interested particularly in the production of crude oil and petroleum products on a national basis and at individual oilfields and refineries and in the types of processing equipment at the various refineries. Estimates of total production for the years 1965-68, of production at major [REDACTED] and of equipment at major refineries were provided to him. [REDACTED] was very knowledgeable about China's petroleum industry, and it is probable that little, if any, of the information provided was new to him. One of his questions, however, is considered worthy of mention. He stated that he had heard of a production estimate of

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18 million tons of crude oil for China and wondered how we accounted for the large discrepancy between this figure and our estimate of 11 million tons in 1969. We replied that we could not explain the discrepancy, but that on the basis of production at individual oilfields, existing refining capacity, and apparent consumption we could not justify an estimate of 18 million tons. [REDACTED] agreed (principally on the basis of refining capacity), and said that he estimated production to be on the order of 11 to 12 million tons. The net result of this coincidence of views was a short exchange of "mutual admiration" which hopefully may have scored a point for DD/P's objectives.

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5. The chemical industry briefing, which was given by [REDACTED] came at a point when both the visitors and the translator were worn out. As requested by DD/P, the briefing covered the number of factories, technical levels, and production rates for the plastics, synthetic fibers, and synthetic rubber industries. Because of the lateness of the hour there was little time for discussion of the points contained in the briefing.

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